

Message Text

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E.O. 11652: N/A

TAGS: BPRO, SA, OVIP (CRONIN, PAUL W.)

SUBJECT: CODEL CRONIN VISIT TO SAUDI ARABIA

SUMMARY: CODEL CRONIN SAW DEPUTY DIRECTOR OF SAMA, PETROMIN AND CPO, PLUS OMAR SAQQAF. HIS PRESENTATIONS ON PROPOSED JOINT VENTURE FOR REFINERY IN HIS DISTRICT WITH GUARANTEED SOURCE OF SAUDI CRUDE, WERE FAVORABLY RECEIVED, AND MORE INFORMATION WAS REQUESTED. CONGRESSMAN PLANS FURTHER CORRESPONDENCE WITH AMBASSADOR ON SUBJECT. END SUMMARY.

1. CONGRESSMAN PAUL W. CRONIN, FIFTH DISTRICT, MASSACHUSETTS, DEPARTED RIYADH TUESDAY AFTERNOON, APRIL 16, AFTER A THREE-DAY VISIT TO THE KINGDOM DURING WHICH HE CALLED ON KHALID AL-GOSAIBI, DEPUTY DIRECTOR OF SAMA; OMAR SAQQAF; DR. FAYIZ BADR, VICE PRESIDENT OF THE CENTRAL PLANNING ORGANIZATION; AND DR. JAMAL JAWA, DEPUTY GOVERNOR OF PETROMIN. AN AUDIENCE WAS REQUESTED WITH KING FAISAL BUT, DUE TO THE KING'S HEAVY SCHEDULE, WAS NOT GRANTED. RAYTHEON, WHOSE HEADQUARTERS ARE IN THE CONGRESSMAN'S DISTRICT, HOUSED HIM IN THE COMPANY'S JIDDA GUESTHOUSE AND GAVE A DINNER IN THE CONGRESSMAN'S HONOR.

2. IN SEPARATE MEETINGS WITH DR. FAYIZ BADR AND DR. JAMAL JAWA, CONGRESSMAN CRONIN OUTLINED THE FACTORS WHICH MADE HIS DISTRICT AN IDEAL SITE FOR A 250,000 BBL/DAY REFINERY.

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THESE FACTORS WERE PRIMARILY: (1) THE SITE'S ABILITY TO

SATISFY THE ENVIRONMENTAL PROTECTION AGENCY'S ANTI-POLLUTION SAFEGUARDS; (2) PROXIMITY OF THE SITE TO EXISTING PETROLEUM AND LNG PIPELINES; (3) PROXIMITY OF THE PROPOSED DEEP-WATER PORT OF BOSTON; (4) PRESENCE OF A READY MARKET FOR DISTILLATE FUELS. THE CONGRESSMAN STATED THAT HE KNEW OF FIRMS INTERESTED IN BUILDING THE REFINERY AS A JOINT VENTURE, ON TERMS TO BE NEGOTIATED WITH THE SAG, TO ENSURE A SOURCE OF CRUDE. HE POINTED OUT THAT THIS PROPOSED GREATER LOWELL REFINERY WAS THE FIRST OF SIX REFINERIES NEEDED IN NEW ENGLAND BY 1980, AND THAT ONE SUCCESSFUL VENTURE MIGHT BE FOLLOWED BY OTHERS. HE STATED THAT IT WOULD BE THE NEXT REFINERY TO BE BUILT IN THE UNITED STATES. THE CONGRESSMAN'S PRESENTATIONS WERE CLEAR, CONCISE, AND EFFECTIVE; SAUDIS WERE FAVORABLY IMPRESSED.

3. DR. BADR DISPLAYED ACTIVE INTEREST IN THE PROPOSAL. BADR ASKED THAT THE CONGRESSMAN PROVIDE HIM WITH THE PARAMETERS WITHIN WHICH A JOINT VENTURE MIGHT BE ARRANGED. PRIOR TO HIS DEPARTURE, THE CONGRESSMAN SENT BADR AN AIDE-MEMOIRE IN THE FORM OF A PERSONAL LETTER, AND PROMISED TO FOLLOW UP WITH ADDITIONAL DETAILS AFTER RETURNING TO HIS DISTRICT. DR. BADR STRESSED THE SAG'S INTEREST IN GOVERNMENT-TO-GOVERNMENT DEALS, THOUGH STATING THAT THIS DID NOT MEAN THAT THE USG WOULD HAVE TO BE A PARTNER WITH THE SAG. THE SAG WOULD ENTER INTO JOINT VENTURES WITH PRIVATE COMPANIES, BUT IT WAS IMPLIED THAT SOME SORT OF USG GUARANTEE OR OVERSEER'S ROLE WOULD BE REQUIRED.

4. DR. JAWA, STATING THAT HE WAS SPEAKING PERSONALLY AND DID NOT WISH TO BE QUOTED, ALSO DISPLAYED AN ACTIVE INTEREST, ENCOURAGING CONGRESSMAN CRONIN TO SEE KING FASIAL IMMEDIATELY AND OBTAIN HIS APPROVAL. HE SHOULD ALSO SEE PRINCE FAHAD, SAID JAWA. DR. JAWA STATED THAT IT WAS OFFICIAL POLICY TO GIVE TOP PRIORITY TO PROPOSALS TO INVEST OIL RESOURCES TO INDUSTRIALIZE THE KINGDOM. BUT IF IT WERE TOLD BY HIGHER AUTHORITY TO INVEST OVERSEAS, PETROMIN COULD THEN MOVE FORWARD QUICKLY. DR. JAWA SAID THAT AMBASSADOR AKINS SHOULD RAISE THE SUBJECT WITH HIS MAJESTY AND OBTAIN HIS APPROVAL
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OF THE PROPOSAL. CONGRESSMAN CRONIN STATED THAT HE WOULD BE WRITING THE AMBASSADOR TO REQUEST HIS ASSISTANCE IN FURTHERING DISCUSSION OF THIS SUBJECT WITH THE SAG.

5. THE CONGRESSMAN WAS DISAPPOINTED THAT THE EMBASSY WAS UNABLE TO OBTAIN FOR HIM AN APPOINTMENT WITH KING FAISAL, AND TRIED ON HIS OWN TO ARRANGE AN AUDIENCE THROUGH CONTACTS IN THE PHARAON FAMILY. THOUGH APPARENTLY INFORMED THAT HE

MIGHT BE ABLE TO SEE THE KING IF HE WAITED AN ADDITIONAL DAY, THE CONGRESSMAN WAS THEN UNABLE TO OBTAIN AIR TRANSPORTATION OUT OF RIYADH EARLY ENOUGH TO RETURN HIM TO THE STATES FOR A SPEAKING ENGAGEMENT AND HE LEFT WITHOUT SEEING THE KING. IT IS QUITE LIKELY THAT HE WILL ASK THE DEPARTMENT FOR AN OPPORTUNITY TO SPEAK WITH PRINCE FAHAD WHEN THE LATTER VISITS THE STATES.
AKINS

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